

# Jurnal Internasional 2020

*by* Wahyudiono Wahyudiono

---

**Submission date:** 10-Dec-2020 08:35PM (UTC+1000)

**Submission ID:** 1470832968

**File name:** 2-14561\_Wahyudiono\_2020\_E\_R.pdf (304.6K)

**Word count:** 5762

**Character count:** 33701



# Developing Competitiveness of Micro, Small and Medium Enterprises (MSME) of Religious Tourism Area

Wahyudiono<sup>a\*</sup>, JFX. Susanto Soekiman<sup>b</sup>, Agus Baktiono<sup>c</sup>, <sup>a</sup>University of Narotama, Surabaya, Indonesia, <sup>b</sup>University of Dr. Soetomo, Surabaya, Indonesia, <sup>c</sup>University of Narotama, Surabaya, Indonesia, Email: <sup>a\*</sup>[wahyudiono18@yahoo.com](mailto:wahyudiono18@yahoo.com)

This study aims to examine the entrepreneurial orientation in determining the value of management quality and MSME competitiveness as well as testing the quality of management in determining the value of MSME competitiveness. This study involves a kind of explanative/associative research accompanied by hypothesis testing. The study was conducted at the MSME centres of religious tourism areas, with a population of 435 business operators, with a sample size of 63 MSMEs with a stratified random sampling method for data collection. The results of the path analysis show that entrepreneurial orientation directly and significantly influences the quality of management and competitiveness of MSMEs, as well as that the quality of management directly and significantly affects the competitiveness of MSMEs. The results of this study indicate that under an entrepreneurial orientation that is increasingly responsive and structured, the quality of management and competitiveness also gets better, so with the quality of good management, the competitiveness of MSMEs also gets better. While the quality of management is an important key because its presence determines the competitiveness of religious tourism MSME areas, stakeholders must participate in developing and encouraging entrepreneurial orientation to be more responsive to change, so that the quality of MSME business management becomes better. A more responsive entrepreneurial orientation and good management quality will certainly encourage competitiveness to be stronger, so that the existence of MSMEs can leverage the welfare of the community of religious tourism areas in East Java.

**Key words:** *Entrepreneurship; Quality; Management; Competitiveness; MSME.*



## Introduction

The religious tourism area is one of the centres of MSMEs enlivened by the business activities of the surrounding community. This is in line with the increasing number of people who make pilgrimages at the tomb of "Wali Songo" in East Java. The 7.9 million visitors to the "Wali Songo" tomb are potential buyers for the MSME market in the religious tourism area (Culture and Tourism Office of East Java, 2018: 65). The potential of people who make pilgrimage to the tomb of "wali songo" continues to increase from time to time. This certainly encourages the increasing number of SMEs entering this religious tourism area, but this large market potential is not accompanied by real steps in adequate business management. Some MSME sectors have unfavourable business growth. This is due to weak management quality and entrepreneurial orientation whose response is weak to business (Trianni, Cagno, Neri, & Howard, 2019; Radzi, Nor & Ali, 2017). The weak management function certainly affects maximum performance achievement (Chang & Cheng, 2019). Therefore stakeholder participation is needed to improve the management capabilities of MSMEs in managing their business, and improve their business performance for the better (Foghani, Mahadi, & Omar, 2017).

Businesses that perform well generally have good competitive advantages (Trianni, Cagno, Neri, & Howard, 2019), where through the optimisation of economic resources an organisation can increase the competitiveness of its products (Chang & Cheng, 2019). Competitiveness can be obtained through various economic and community resources (Chang & Cheng, 2019), but not all of these resources can be used to build competitiveness (Janasová, Bobáňová, & Strelcová, 2017). Therefore, strategic steps are needed to utilise its resources effectively. The MSME centre of religious tourism in real terms has the strong potential of community resources, especially as reflected in the value of local atmosphere and the culture of the community. However, not all of its potential resources can be utilised to build competitiveness, due to the limited ability to transform in the form of added value (Chang & Cheng, 2019). Transformation is the process of converting input resources into benefit resources (Yoshino & Taghizadeh-Hesary, 2019), therefore MSME practitioners in religious tourism areas must be directed to have adequate management capabilities, so that they are able to transform existing input resources in the community into benefit resources, creating high competitiveness for the products or services produced (Choi, Thangamani, & Kissock, 2019). At present the SMEs are still not accustomed to utilising management functions in managing their business adequately. This is easily understood because they run their business not as a choice but as a business inherited from their parents. They also may not have been accepted in the formal sector. To improve the competitiveness of MSMEs, their managerial abilities should continue to be improved (Mohamad Radzi, Mohd Nor, & Mohezar Ali, 2017), especially their motivation to respond to business change and the importance of achieving business success independently and sustainably through creative and innovative behaviour in utilising existing environmental



resources (Xiang, Chen, Tripe & Zhang, 2019). Change is a sure thing, but how to respond to changes involves many choices for every business person. This is no different from what has been done so far by religious tourism SMEs.

Entrepreneurial orientation is one element that contributes to the attitude of SMEs in dealing with change, because change is not a scary thing, but change has an impact on success or failure, therefore a pro-active and responsive attitude in the process of improving management is the main key to sustainable success (Yoshino & Taghizadeh-Hesary, 2019). Empirically, the entrepreneurial orientation of the religious tourism MSME region is still less responsive to changes. This is reflected in the efforts to improve management processes that are not optimal, so that every opportunity raised by change is not able to be realised as an effort that contributes to growth and profit (Trianni, Cagno, Neri, & Howard, 2019). Therefore changes in creative and innovative behaviour in business management must be their orientation in developing entrepreneurship, which in turn will respond to the process of improving management, so that the optimal management of economic resources can be transformed into competitiveness for its products (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018).

The MSME centres of religious tourism areas still persist to this day, although it is difficult to achieve the expected growth and profits, this condition is caused by the low bargaining value of products and business management that is lacking creativity and innovation (Xiang, Chen, Tripe, & Zhang, 2019 ). The current management of MSMEs is still oriented towards meeting the needs of their family life, not growth and profit, therefore improving managerial skills is a necessity that cannot be delayed anymore, because this will affect the quality of management implemented in its business (Mulolli, Islamic, & Skenderi, 2017).

The success of the MSME business is not determined by the ownership of large resources, but in the selection of management functions that are in line with their business needs and are able to implement management aspects correctly and are ready to make improvements to deal with change (Sanchez Badini, Hajjar, & Kozak, 2018).

Poor management quality is characterised by the low value of creativity and innovation in business management (Mulolli, Islamic, & Skenderi, 2017), so that the management of economic resources and community resources is not able to produce optimal economic value and improve low product competitiveness (Ndiaye, Razak, Nagayev, & Ng, 2018). Therefore, improving the quality of management is a strategic step to encourage effective and efficient management of community resources, so as to create the competitiveness of MSMEs becoming stronger (Verdolini, Bak, Ruet, & Venkatachalam, 2018 ).

Referring to the various MSME phenomena in the religious tourism area, competitiveness does not appear by itself, competitiveness must be developed through the optimal utilisation of



economic and community resources. Therefore to realise the creation of strong MSME competitiveness, instruments relevant to the situation are needed.

An entrepreneurial orientation that is responsive to changes and a process of improving structured and massive management is expected to be able to reconstruct the competitiveness of MSMEs to be stronger with the emergence of changes in creative and innovative attitudes and behaviour in business management (Rauch, Dallasega, & Matt, 2017). Therefore, increasing commitment<sup>6</sup> and the process of improving management of MSME owners is a strategic step that will improve the quality of management and build the competitiveness of MSMEs to be stronger (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018).

## Literature Review

### *Entrepreneurship Orientation*

Entrepreneurial orientation is the owner's commitment to continue to succeed in realising what is desired in the business (Yoshino & Taghizadeh-Hesary, 2019), as the owner certainly has the potential to optimise existing resources effectively and efficiently in order to create economic added value (Xiang, Chen, Tripe, & Zhang, 2019). Self-reliance in decision making is an important source for transforming economic resources into added value (Xiang, Chen, Tripe, & Zhang, 2019). Thus, the potential for change is wide open, although limited abilities in management knowledge will hinder the success of the business. The desire to move forward and be independent in management attitudes and behaviour is not enough to achieve the best results, due to the weak ownership of management knowledge related to business management (Choi, Thangamani, & Kissock, 2019; Klimczak, Machowiak, Staniec, & Shachmurove, 2017).

Weaknesses in the aspects of management knowledge are an element of the perceived constraints of SMEs in the religious tourism area so far. This will certainly hinder them in achieving their best performance, therefore attitudes continue to be successful, independent and continue to achieve success as a trait inherent in entrepreneurial orientation requires real support for management knowledge that is appropriate and in line with changing needs in its business (Klimczak, Machowiak, Staniec, & Shachmurove, 2017; Krishnan & Scullion, 2017).

Entrepreneurial orientation gives owners responsive attitude in accepting business risks while capturing opportunities that arise due to internal and external changes (Mulolli, Islamic, & Skenderi, 2017). Internal changes can lead to the process of improving management practices that are in accordance with the needs in managing its business (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018), while external changes can encourage the use of opportunities for business development in line with the wishes of consumers (Trianni, Cagno, Neri, & Howard, 2019). Therefore, responsiveness to change will positively inspire management competency improvement and strengthen product competitiveness for consumers.





Responsiveness to change also encourages the implementation of business management to be feasible so as to encourage better performance outcomes. These thoughts indicate that entrepreneurial orientation reflects the characteristics of the owner's commitment to continue to succeed, move forward in his business, be independent in its management, and their readiness to face changes while winning opportunities (Verdolini, Bak, Ruet, & Venkatachalam, 2018). Therefore responsive entrepreneurial orientation will encourage dynamic business practices so as to produce better quality management and produce stronger daytime product power (Rauch, Dallasega, & Matt, 2017).

Several hypotheses can be put forward as follows:

**H1:** Entrepreneurship Orientation significantly influences the Management Quality of MSME in the Religious Tourism Area in East Java

**H2:** Entrepreneurship Orientation has a significant effect on the Competitiveness of the MSME Rally Tourism area in East Java

### ***Quality Management***

Management quality is representative of the results of the implementation of management functions in managing business effectively and sustainably (Mohamad Radzi, Mohd Nor, & Mohezar Ali, 2017). On the other hand, management quality is also the result of continuous development of the implementation of management functions that are able to respond to changes in dynamic business management (Ndiaye, Abdul Razak, Nagayev, & Ng, 2018). Therefore, quality management requires creative and innovative behaviour in finding business management practices that are able to meet and respond to business challenges in accordance with the era. Good management practices are not determined by the selection of management functions but are determined by the quality of the suitability of management functions with the need to manage business effectively and sustainably in harmony with the changes that occur (Krishnan & Scullion, 2017).

The ability to follow the process of management improvement is a prerequisite for business people who implement effective and dynamic management practices in order to be able to achieve business performance at a decent level, so that their businesses are able to grow better than other business actors who do not implement management improvement processes.

Businesses who are accustomed to carrying out the management improvement processes on a regular basis are generally able to develop management models that are more applicable in line with the needs and growth of the business (Trianni, Cagno, Neri, & Howard, 2019). Management quality is a need for business people who always want to utilise the potential of



existing economic resources to build business competitiveness beyond those offered by competitors. Thus, to respond to the evolving management needs of business people is to be able to develop management models that are aligned with their needs (Chang & Cheng, 2019).

Management quality is the totality of features and characteristics of management practices in implementing effective management functions in business management, therefore good management quality will encourage creative and innovative behaviour in business management so as to produce product competitiveness that exceeds the competitiveness offered by competitors (Felicio, Caldeirinha, & Dutra, 2019). Referring to the description, the hypothesis can be stated as follows:

H3: Management Quality <sup>2</sup> has a significant effect on the Competitiveness of SMEs in the Religious Tourism area in East Java

### *Competitiveness*

Competitiveness is representative of the functions and results of utilising economic resources that are effective and efficient to build economic value added products or services (Xiang, Chen, Tripe, & Zhang, 2019). This shows that economic resources obtained naturally or are built through elections are the best alternatives to building competitiveness. With increasingly competitive business competition, business players are required to continue to develop and build competitive competitiveness on an ongoing basis so that their businesses are able to be in the best competitive position (Foghani, Mahadi, & Omar, 2017).

The competitiveness of a company or businessperson must have a differentiating value and be unique, so that this can be easily recognised by consumers (Janasová, Bobáňová, & Strelcová, 2017), therefore competitiveness is not just having a distinguishing element but must be unique. The quality of management has a strategic role in developing and improving the competitiveness of the company, so that the products and services produced are able to meet the desires of the needs of its consumers (Chang & Cheng, 2019). Thus, the company's competitiveness also contributes to achieving better performance than other business players who do not have the same competitiveness (Lin & Ho, 2019).

Competitiveness must have characteristics that are difficult to emulate by competitors (Sanchez Badini, Hajjar, & Kozak, 2018). If they have to emulate it, it will certainly require more expensive economic sacrifices and results that are not better than those imitated (Lin & Ho, 2019), therefore, sustainability must be maintained in maintaining its scarcity.

Some empirical studies show that an entrepreneurial orientation that is responsive to change also encourages the creation of quality management practices (Choi, Thangamani & Kissock,

2019) as well as value and uniqueness in building stronger competitiveness compared to competitors who do not do the same thing (Felício, Caldeirinha, & Dutra, 2019). The relationship between various theories that are analysed critically and systematically as well as the synthesis results about the relationship of variables, which include entrepreneurial orientation, quality management and competitiveness, are expected to be able to explain scientifically how competitiveness can be explained through the reconstruction of entrepreneurial orientation and the quality of management.

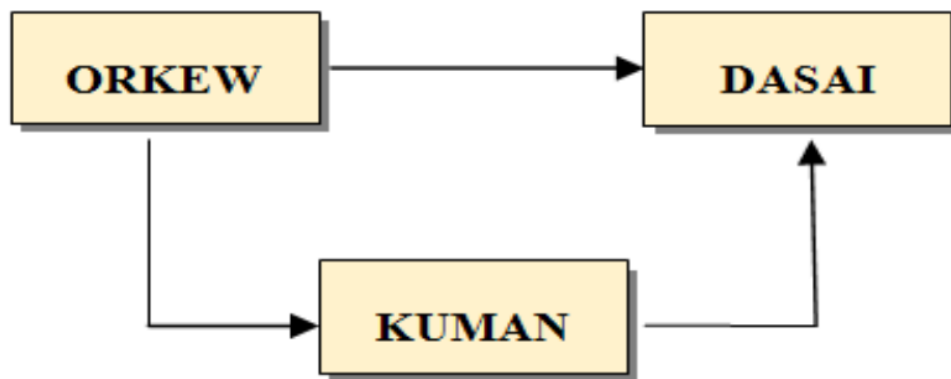
The more responsive entrepreneurial orientation of businesses in the face of change will certainly encourage the application of increasingly high quality management practices and in turn the competitiveness of products or services also becomes stronger than those of competitors who do not do the same thing (Felício, Caldeirinha, & Dutra, 2019).

### ***Research Method***

The population in this study comprised of 435 business people who were members of the MSME centres of religious tourism areas in East Java. The sample size in this study was 63 SMEs using the stratified random sampling method with active business criteria until the end of June 2019. MSME actors as well as owners had to have been actively trying for a minimum of ten years. Because the number of members of the population who meet the criteria is small, this study also used the census method (complete enumeration).

#### ***a. Analysis Model***

**Figure 1. Model Path Analysis**



**Remarks:**

ORKEW (Entrepreneurship Orientation): Independent variable (X)

KUMAN (Quality of Management): Dependent/intervening variables (Z)

DASAI (Competitiveness): Dependent variable (Y)



### *Definition of Variable Operations*

**Table 1:** Definition of Variable Operations

No	Variable	Operational definition	Indicator
1	Entrepreneurship Orientation (ORKEW)	The level of responsiveness of MSMEs to keep trying independently and have the desire to grow better with a willingness to accept certain risks for their efforts	<ul style="list-style-type: none"> <li>• Commitment to continue to succeed</li> <li>• Readiness to move forward</li> <li>• Readiness to continue to be independent</li> <li>• Readiness to accept the risk of failure</li> <li>• Readiness to take advantage of opportunities</li> <li>• Readiness for change</li> </ul>
2	Quality of Management (KUMAN)	The level of ability of SMEs in the process of implementing management functions to manage their business activities effectively and sustainably	<ul style="list-style-type: none"> <li>• Ability to understand management functions</li> <li>• Ability to deal with change</li> <li>• Ability to implement management aspects</li> <li>• Ability to follow the process of management improvement</li> <li>• Ability to develop management models</li> </ul>
3	Competitiveness (DASAI)	Ownership of economic resources that are able to provide economic added value for SMEs in producing products or services with "superior value" for their consumers and being a differentiating value with other business actors	<ul style="list-style-type: none"> <li>• Has a distinguishing value</li> <li>• Are unique</li> <li>• Not easy to imitate</li> <li>• Sustainability is maintained</li> </ul>

**Sources:** Yoshino & Taghizadeh-Hesary, 2019; Xiang, Chen, Tripe, & Zhang, 2019; Choi, Thangamani, & Kissock, 2019; Klimczak, Machowiak, Staniec, & Shachmurove, 2017; Mulolli, Islami, & Skenderi, 2017; Ndiaye, Abdul Razak, Nagayev, & Ng, 2018; Trianni, Cagno, Neri, & Howard, 2019; Verdolini, Bak, Ruet, & Venkatachalam, 2018; Rauch, Dallasega, & Matt, 2017; Mohamad Radzi, Mohd Nor, & Mohezar Ali, 2017; Krishnan &



Scullion, 2017; Chang & Cheng, 2019; Felício, Caldeirinha, & Dutra, 2019; Xiang, Chen, Tripe, & Zhang, 2019; Foghani, Mahadi, & Omar, 2017; Janasová, Bobáňová, & Strelcová, 2017; Lin & Ho, 2019; Sanchez Badini, Hajjar, & Kozak, 2018.

### ***Research Instruments***

The instrument used in this study was a questionnaire, which involved a series of questions that had to be answered by MSME perpetrators of religious tourism areas in East Java who had criteria as members of the population. Questionnaires as instruments must meet the validity and reliability levels. The validity in this study uses Pearson's product-moment correlation coefficient formula and reliability uses Cronbach's alpha. An instrument is declared valid if the correlation coefficient is positive and significant with the value of the correlated item-total correlation greater than the value of 0.30. The instrument is declared reliable if the Cronbach's alpha value is greater than the value of 0.6.

### **Research Results**

#### ***Validity and Reliability***

**Table 2:** Validity and Reliability Test Results

Variable	Correlation coefficient	Cronbach Alpha	Remarks
Entrepreneurship Orientation	0,3423 - 0,7582	0,7172	Valid and Reliable
Quality of Management	0,4623 - 0,8263	0,8156	Valid and Reliable
Competitiveness	0,4014 - 0,7842	0,7636	Valid and Reliable

**Source:** Print out data processing (2020)

Table 2 shows that the correlation coefficients of all variables have r-count values between 0.3423-0.8263 with positive values greater than 0.30. Likewise, the Cronbach Alpha value of the three variables has a value between 0.7172-0.8156 with a value greater than 0.60. The value of the correlation coefficient and Cronbach Alpha shows that the research instrument used for collecting research data is valid and reliable.

#### ***Path Analysis***

Linearity test results that refer to the concept of parsimony, i.e. when all the models used as a basis for testing are significant or non-significant means, the model is said to be linear or the linear function is significant. The results of testing the linearity assumption for each effect between variables can be shown in table 3 as follows.



**Table 3:** Linearity Assumption Test Results

Independent Variable	Dependent Variable	Test result ( $\alpha = 0,05$ )
Entrepreneurship Orientation	Quality of Management	The liner model is significant
Entrepreneurship Orientation	Competitiveness	The liner model is significant
Quality of Management	Competitiveness	The liner model is significant

**Source:** Print out data processing (2020)

Table 3 shows that all forms of influence between variables in the structural model are linear, thus the linearity assumptions in the path analysis are fulfilled.

### ***Structural Model***

Path analysis was carried out by standardising regression using Statistic Product and Service Solutions (SPSS) Version 18. The results of direct path coefficient test results are presented in table 4.

**Table 4:** The Summary of Regression

Independent Variable	Dependent Variable	Standardise Coefficient	Sig. (0.05)
Entrepreneurship Orientation	Quality of Management	0,276	0,024
Entrepreneurship Orientation	Competitiveness	0,357	0,037
Quality of Management	Competitiveness	0,293	0,046

**Source:** Print out data processing (2020)

**Table 5:** Indirect Effect Path Coefficient

Independent Variable	Intervening Variable	Dependent Variable	Standardise Coefficient
Entrepreneurship Orientation	Quality of Management	Competitiveness	0,081 (sig. $\alpha = 0,05$ )

**Source:** Print out data processing (2020)

### **Discussion**

#### ***Effect of Entrepreneurship Orientation on Management Quality***

Entrepreneurial orientation of religious tourism MSME entrepreneurs still focus on a strong desire and motivation to continue to develop their business independently. They are well aware that being a business actor is not an option but they are difficult to be accepted in the formal sector, so they must do business through their ability to seize opportunities with an independent



spirit to achieve success. Through their business experience they strive to survive while learning from the failures of their past experiences. Therefore, the implementation of management in managing its business is very simple, even its understanding of its management functions and implementation in business is still very weak. This is reflected in the ability to face changes and the management improvement process is still very low. Entrepreneurial orientation that is less responsive to changes in the business environment, of course, gives an unfavourable response to the development of their abilities for management functions and their implementation in management aspects, so that the process of improving management is also not good.

They understand that a responsive entrepreneurial orientation must be supported by the use of proper management functions, but this MSME still emphasises business motivation and an independent spirit to achieve results. They still ignore the process of adopting management functions and the implementation of management aspects in business, therefore the entrepreneurial orientation that has been carried out so far has only been able to exert a less powerful influence on the quality of management implemented in managing their businesses by MSME.

The findings of this study show that: (1) there is a direct effect of entrepreneurship on positive and significant quality of management; (2) there is an indirect effect of entrepreneurial value on competitiveness through the positive and significant quality of management.

#### ***Effect of Entrepreneurship Orientation on SMEs' Competitiveness***

The entrepreneurial orientation of religious tourism SMEs that have motivation and enthusiasm to move forward, be independent and succeed in their business, are able to encourage an unyielding spirit even though they sometimes have to face the risk of failure. However, they still rise in accordance with their ability to capture opportunities and change. Readiness to continue to be independent in the face of change is a big capital for SMEs to achieve success in their business. Even though the change is not too big, it can provide adequate space to build a creative and innovative culture even though it is very limited.

The SMEs of religious tourism areas generally become business people because of the conditions that force them, not because of their choices, and many even inherit their parents' businesses. This is what explains their minimal creativity and innovation in developing products or services. They prioritise the sustainability of their businesses rather than how to develop it. The mindset and simple lifestyle certainly affects the way they do business. They try in order to meet the needs of their family rather than orientate their business towards growth and profit. Therefore their entrepreneurial orientation is also less supportive for business development, so that MSME competitiveness is less than optimal.



Competitiveness is the result of utilising various economic resources and the potential of community resources, therefore an entrepreneurial orientation that is less responsive to the surrounding environmental resources will certainly limit the space for creativity and innovation in developing economic value added, so that the competitiveness of religious tourism MSME areas will be less than maximum. The entrepreneurial orientation that has been carried out so far is still focused on the spirit of independence in doing business. It is very limited in building a creative and innovative culture, therefore the entrepreneurial orientation that has been occurring so far still has a less powerful influence in building the competitiveness of MSMEs.

The findings in this study show that: (1) there is a direct influence of entrepreneurial orientation on the positive and significant competitiveness of MSMEs, (2) management orientation is needed in building MSME competitiveness, but indirectly. The quality of management will have a positive and significant effect.

#### ***Effect of Management Quality on MSME Competitiveness***

Management quality is the result of the process of developing management functions and implementing aspects of management in managing their business and responding in the face of ongoing change, therefore management quality is largely determined by the perpetrators themselves or the presence of other parties who have a concern in helping to develop management quality for MSME practitioners. So far, the role of management for MSME business management is still very limited. They have not implemented integrated management functions because their presence in the business is not an option, but because of the conditions that must be lived. Therefore, the implementation of management aspects is still not running adequately.

The limitation of this management aspect has been happening for a long time and various efforts to develop MSME management have been carried out by the stakeholders, but only partially and unsustainably so that the quality of MSME management still has not developed as expected. Limitations of management aspects will certainly limit their ability to process economic resources and community resources into economic value-added, which is very beneficial for building MSME competitiveness. Therefore the quality of MSME management will grow towards a better development, when stakeholders are able to develop integrated management training programs that are carried out continuously.

MSME competitiveness can be built by developing quality management and the ability to manage economic resources and community resources by developing creative and innovative culture, so that MSME religious tourism areas not only have competitiveness but are also able to build sustainable competitive advantages. The limited quality of management possessed by SMEs so far, of course, will affect the ability of competitiveness possessed by MSMEs,





therefore there is the need to improve the quality of management in enhancing MSME competitiveness.

The findings of this study show that: (1) there is a direct effect of management quality on positive and significant competitiveness, (2) management quality is able to mediate the indirect effect of entrepreneurial value on positive and significant competitiveness.

## Conclusions

Entrepreneurship orientation has a direct, positive and significant influence on the quality of MSME management. The first hypothesis states that entrepreneurial orientation has a significant effect on the quality of management of SMEs in religious tourism. Therefore, the entrepreneurship orientation that is developed through an attitude that is responsive to the spirit of moving forward, independent and ready to seize opportunities through change, the quality of MSME management will become more adequate and effective.

The Entrepreneurship Orientation has a direct, positive and significant effect on the competitiveness of MSMEs. The second hypothesis which states that entrepreneurial orientation significantly influences the competitiveness of MSMEs, is accepted. Therefore, with an entrepreneurial orientation that is developed through attitudes that are responsive to creative and innovative changes, the competitiveness of MSMEs will become stronger and more competitive.

The quality of management has a direct, positive and significant effect on the competitiveness of MSMEs. The third hypothesis, which states that the quality of management has a significant effect on the competitiveness of MSMEs, is accepted. Therefore, the competitiveness of MSMEs will become stronger and more effective through the quality of management developed through understanding effective management functions, as well as the ability to follow the process of improvement and development of management models that are aligned with their needs.

## Implications

Based on the conclusions of the research results, the implications of the results of the study can be stated as follows:

- Entrepreneurial orientation is the attitude of MSME entrepreneurs who want to move forward independently, who are ready to face changes and failures. Therefore this responsive attitude must be maintained by strengthening the value of creative and



innovative culture, in order to be able to produce qualified management and produce MSME competitiveness.

- The quality of management is a commitment to developing effective management functions and carrying out the process of improvement and development of management models in line with need. Therefore, this commitment must be maintained to implement management aspects in business management, and in order to be able to support the realisation of a strong and competitive MSME competitiveness.
- The competitiveness of MSMEs is a strategic effort used to encourage creative and innovative culture and commitment in the development of capable management practices. This is to encourage a dynamic entrepreneurial orientation and the implementation of business management quality in MSMEs of a religious tourist region effectively and efficiently.



## REFERENCES

- Chang, A. Y., & Cheng, Y. T. (2019). Analysis model of the sustainability development of manufacturing small and medium-sized enterprises in Taiwan. *Journal of Cleaner Production*. 207, 458-473 <https://doi.org/10.1016/j.jclepro.2018.10.025>
- Choi, J. K., Thangamani, D., & Kissock, K. (2019). A systematic methodology for improving resource efficiency in small and medium-sized enterprises. *Resources, Conservation and Recycling*. 147, 19-27 <https://doi.org/10.1016/j.resconrec.2019.04.015>
- Fatihudin, D., Jusni & Mochklas, M. (2018). How Measuring Financial Performance. *International Journal of Civil Engineering and Technology (IJCET)*, 9(6): 553-557
- Felício, J. A., Caldeirinha, V., & Dutra, A. (2019). Ambidextrous capacity in small and medium-sized enterprises. *Journal of Business Research*. 101, 607-614. <https://doi.org/10.1016/j.jbusres.2019.02.061>
- Foghani, S., Mahadi, B., & Omar, R. (2017). Promoting clusters and networks for small and medium enterprises to economic development in the globalization era. *SAGE Open*, 7(1). 120-130. <https://doi.org/10.1177/2158244017697152>
- Janasová, D., Bobáňová, V., & Strelcová, S. (2017). Networking of Small and Medium Enterprises into Clusters in the Slovak Republic. In *Procedia Engineering*. 192, 370-375. <https://doi.org/10.1016/j.proeng.2017.06.064>
- Klimczak, K. M., Machowiak, W., Staniec, I., & Shachmurove, Y. (2017). Collaboration And Collaboration Risk In Small And Middle-Size Technological Enterprises. 13(2), 221-235. *LOGFORUM*. [HTTPS://DOI.ORG/10.17270/J.LOG.2017.2.9](https://doi.org/10.17270/J.LOG.2017.2.9)
- Krishnan, T. N., & Scullion, H. (2017). Talent management and dynamic view of talent in small and medium enterprises. *Human Resource Management Review*. 27(3), 431-441 <https://doi.org/10.1016/j.hrmr.2016.10.003>
- Lin, F.-J., & Ho, C.-W. (2019). The knowledge of entry mode decision for small and medium enterprises. *Journal of Innovation & Knowledge*. 4(1), 32-37 <https://doi.org/10.1016/j.jik.2018.02.001>
- Maarof, M. G., & Mahmud, F. (2016). A Review of Contributing Factors and Challenges in Implementing Kaizen in Small and Medium Enterprises. *Procedia Economics and Finance*. 35, 522-531 [https://doi.org/10.1016/s2212-5671\(16\)00065-4](https://doi.org/10.1016/s2212-5671(16)00065-4)
- Mohamad Radzi, K., Mohd Nor, M. N., & Mohezar Ali, S. (2017). The Impact of Internal Factors on Small Business Success: A Case of Small Enterprises under the FELDA



- Scheme. Asian Academy of Management Journal, 22(1), 27–55.  
<https://doi.org/10.21315/aamj2017.22.1.2>
- Mochklas, M., Panggayudi, D.S., & Soenarto. (2019). The Work Culture Of South Korean Companies In Indonesia. *Humanities & Social Sciences Reviews*, 7(4): 603-608
- Mulolli, E., Islami, X., & Skenderi, N. (2017). Business Incubators as a Factor for the Development of SMEs in Kosovo. *International Journal of Management, Accounting and Economics International Journal of Management, Accounting and Economics*. 2017 (2017): 659-666.
- Ndiaye, N., Abdul Razak, L., Nagayev, R., & Ng, A. (2018). Demystifying small and medium enterprises' (SMEs) performance in emerging and developing economies. *Borsa Istanbul Review*. 18(4), 269-281 <https://doi.org/10.1016/j.bir.2018.04.003>
- Rauch, E., Dallasega, P., & Matt, D. T. (2017). Critical Factors for Introducing Lean Product Development to Small and Medium sized Enterprises in Italy. In *Procedia CIRP*. 60, 362-367 <https://doi.org/10.1016/j.procir.2017.01.031>
- Sanchez Badini, O., Hajjar, R., & Kozak, R. (2018). Critical success factors for small and medium forest enterprises: A review. *Forest Policy and Economics*. 94, 35-45 <https://doi.org/10.1016/j.forpol.2018.06.005>
- Verdolini, E., Bak, C., Ruet, J., & Venkatachalam, A. (2018). Innovative green-technology SMEs as an opportunity to promote financial de-risking. *Economics: The Open-Access, Open-Assessment E-Journal*. 12(2018-14), 1-13. <https://doi.org/10.5018/economics-ejournal.ja.2018-14>
- Wibowo, T.S., & M. Mochklas. (2020). Urgency Of Organizational Citizenship Behavior Towards Performance Of Nurses Of Type-C Hospitals In Surabaya. *International Journal of Scientific & Technology Research*, 9(2):4534- 4538
- Xiang, D., Chen, J., Tripe, D., & Zhang, N. (2019). Family firms, sustainable innovation and financing cost: Evidence from Chinese hi-tech small and medium-sized enterprises. *Technological Forecasting and Social Change*. 144, 499-511. <https://doi.org/10.1016/j.techfore.2018.02.021>
- Yoshino, N., & Taghizadeh-Hesary, F. (2019). Optimal credit guarantee ratio for small and medium-sized enterprises' financing: Evidence from Asia. *Economic Analysis and Policy*. 62, 342-356. <https://doi.org/10.1016/j.eap.2018.09.011>

## ORIGINALITY REPORT

---

2%

SIMILARITY INDEX

%

INTERNET SOURCES

2%

PUBLICATIONS

%

STUDENT PAPERS

---

## PRIMARY SOURCES

---

1

Mulyahati Renreng -, Syahnur Said -, Serlin Serang -, Mapparenta -. "EFFECT OF CORPORATE GOVERNANCE, INTEGRATED QUALITY MANAGEMENT, CORPORATE SOCIAL RESPONSIBILITY ON COMPETITIVE CAPABILITIES AND OPERATIONAL PERFORMANCE", Researchers World : Journal of Arts, Science and Commerce, 2016

Publication

1%

2

Mehran kamali Zonouzi, Mahdi Hoseyni, Mohammad Khoramshahi. "Political factors affecting the survival of SMEs case study: An empirical study in Tehran Grand Bazaar", Asia Pacific Management Review, 2020

Publication

<1%

3

Noman Soomro. "Interview with Mukesh Kumar, Provincial Chief—Sindh, Small and Medium Enterprises Development Authority, Pakistan", South Asian Journal of Human Resources Management, 2019

Publication

<1%

---



4

Yanto Ramli. "The Implication of Innovation Management Against Unique Resources To Enhance The Business Performance of Small And Medium Enterprises (Sme) In Pasar Tanah Abang, Jakarta, Indonesia", European Journal of Business and Management Research, 2020

Publication

<1 %

5

"Advances in Manufacturing Engineering and Materials", Springer Science and Business Media LLC, 2019

Publication

<1 %

6

Alsou Zakirova, Guzaliya Klychova, Gamlet Ostaev, Evgenia Zaugarova, Almaz Nigmatzyanov, Elena Zaharova. "Organizational and methodological approach to managing financial flows of agricultural enterprises", E3S Web of Conferences, 2020

Publication

<1 %

Exclude quotes On

Exclude matches Off

Exclude bibliography On